

WORKER'S DISABILITY COMPENSATION ACT OF 1969 (EXCERPT)
Act 317 of 1969

418.701 State accident fund; creation; purpose; transfer of fund created in 1912; membership and coverage; premiums or assessments; administration; disbursements; liability; appointment and term of chief executive officer; cessation of insurance transactions and operations; winding up affairs.

Sec. 701. (1) The state accident fund is created to provide only worker's compensation insurance and employer's liability insurance for employers until the effective date of the transfer. The state accident fund created in 1912, with all its authority, powers, duties, and functions, records, personnel, property, and unexpended balances of funds, including the functions of budgeting and procurement and management related functions shall be transferred to and shall be an autonomous entity in the department of commerce. Upon compliance with underwriting standards adopted by the state accident fund, membership in and coverage by the state accident fund shall be provided to employers subject to this act who shall request such membership and coverage of the fund in writing. Thereupon the accident fund shall assume charge of levying and collecting from the employers such premiums or assessments as may be necessary from time to time to pay the sums which become due under the provisions of this act and also the expense of administration; and shall disburse such sums in accordance with the provisions of this act. The state shall not be liable or responsible for the payment of claims for compensation under the provisions of this act beyond the extent of the sums so collected and received.

(2) The chief executive officer of the state accident fund shall be the executive director who shall be appointed by the governor with the advice and consent of the senate who shall serve at the pleasure of the governor for a term not to exceed 4 years or until 1 year following the effective date of the transfer, whichever is less.

(3) Except as otherwise provided in this chapter, after the effective date of the transfer, the state accident fund shall not transact insurance in this state, and all operations of the state accident fund pursuant to former sections 705, 711a, 712, 714, 715, 722, 723, 725, 735, 742, 745, 746, 755, and 756 shall cease. Section 751 shall not apply in the event of a transfer authorized by section 701a. Fees imposed pursuant to section 713 shall accrue until the effective date of the transfer and shall not apply after the effective date of the transfer. The permitted transferee shall be prohibited from asserting any claim for a tax refund against the fees paid in lieu of taxes by the state accident fund pursuant to section 713.

(4) For a period of not more than 1 year after the effective date of the transfer, the commissioner of insurance or his or her designee shall be authorized to wind up the affairs of the state accident fund including, but not limited to, the completion of records and reports required under section 741 as to the business of the state accident fund through the effective date of the transfer.

History: 1969, Act 317, Eff. Dec. 31, 1969;—Am. 1990, Act 157, Imd. Eff. June 29, 1990;—Am. 1993, Act 198, Eff. Dec. 28, 1994.

Compiler's note: Section 3 of Act 198 of 1993 provides as follows:

Except as provided in subsection (2), this amendatory act shall not take effect unless the state administrative board certifies in writing to the secretary of state by December 31, 1994 that an agreement for the transfer of all or substantially all of the assets and the assumption of all or substantially all of the liabilities of the state accident fund has been consummated with a permitted transferee pursuant to the requirements of section 701a of the worker's disability compensation act of 1969, Act No. 317 of the Public Acts of 1969, being section 418.701a of the Michigan Compiled Laws, as added by this amendatory act.

Sections 700 and 701a as added by this amendatory act shall take effect upon the date of enactment of this amendatory act."

Popular name: Act 317